

July 25, 2005

CONFIDENTIAL

MEMORANDUM

SUBJECT: Preliminary PRP Search Report for the San Jacinto River Waste Pits Site.

FROM: Werner

TO: Parr

Preliminary PRP Search Report

(Prepared 07/25/05 by Robert Werner, CI, with information available as of 07/25/05)

CERCLIS Site Name: San Jacinto River Waste Pits
CERCLIS Address: San Jacinto River and I-10 Bridge
County: Harris
City/State/Zip: Channelview, TX 77530 (zip code not listed in CERCLIS, source of the 77530 zip code is the Harris County Appraisal District Web Site)
SSID #: 06ZQ
EPA I.D. #: T X N 0 0 0 6 0 6 6 1 1
Primary Contaminate: Dioxin - At this time TCEQ believes material leaching from the abandoned sludge pits at The San Jacinto River Waste Pits (Site) is the source of higher than expected dioxin levels below the Site in water sediment and fish and crab tissue in the San Jacinto River.

Current General Site Information:

The Site is comprised of three abandoned sludge pits on an approximate 20-acre parcel of land in Channelview (Harris County), Texas. The Site is located at the NW corner of where a bridge on Interstate 10 crosses over the San Jacinto River. The Site's Southwest boundary is adjacent to the I-10 right-of-way. The Site's Southeast boundary is adjacent to, and within, the San Jacinto River.

Over a number of years the groundwater in the Site area has been drawn down. Due to this groundwater withdrawal, over half of the Site's land area has subsided (sunk) and is now below the river's normal water level. For this reason, two of the three abandoned sludge pits are now located within the river area. Depending upon the river's water level, the tops of the two submerged sludge pits are normally between two to six feet below the river water's surface.

TCEQ has two aerial photos that document the three pits were constructed sometime between 1964 and 1970. The first is an aerial photo of the Site taken during 1964 and the second is an aerial photo of the Site taken during 1970. The pits are not visible in the 1964 photo but are visible in the 1970 photo. TCEQ has numerous other aerial photos of the site between 1956 and 2005. Dependent upon the river's water level, one, two, and/or three of the pits are visible in all aerial photos of the Site subsequent to 1970.



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Current Site Ownership Information:

This CI's check of the Harris County Recorder's web site found the following ownership information about the Site property (URL appears below):

http://www.cclerk.hctx.net/coolice/default.asp?Category=RealProperty&Service=rp_inquiry:

- Virgil C. McGinnes purchased 20 acres of land out of the J.T. Harrell Survey, Abstract 0330 (i.e., the Site) on 08/18/1965. *MIMC incorp. 1965 8/31*
- Virgil C. McGinnes has been the Site's only owner of record since 08/12/1965.
- As of the date of this Preliminary PRP Search Report, Virgil C. McGinnes remains the Site's only owner of record.

Information from the Harris County Tax Assessor-Collector's web site (<http://www.hcad.org/>) contains the following information for the Site :

- Owner Name & Mailing Address: *o/c* McGinnis Virgil C Tr
5837 Northdale St
Houston TX 77087-4031 *✓ on this mail address for ownership*
- Legal Description (i.e., the Site): Tr 4K, Abst 330 J T Harrell
- As of 07/20/2005 delinquent Harris County Property Taxes have accumulated against the Site property since 1996 total \$1,438.97. *now 1,415.10*
- Marshall Cedilote, Remediation Division, TCEQ (512-239-4134) has verbally informed Werner that the current owner of record named Virgil C. McGinnis is deceased. *verify*
- Cedilote has also verbally informed Werner that a contractor working for TCEQ has completed a historical title search for the Site property back to 1930. Cedilote will provide this report to Werner on a CD. ✓

Current Available Information About Site Operations:

Werner has obtained information about the Site's past operations from a letter dated June 2, 2005 sent by CPT Jack Roberts to TCEQ. In this letter CPT states that the McGinnis Industrial Maintenance Corp (MIMC) purchased and used the pits at the Site for storage of waste sludge. In this same letter, CPT Roberts further states that:

- "The McGinnis property (now Waste Management) was acquired for the purpose of storage waste sludge from Champion Paper Co., located in Pasadena, Texas..."
- "...acting as a Marine Surveyor, representing interested Insurance Companies, [he] inspected the barges MIMC (McGinnis Industrial Maintenance Corp) Number 1-2-3-4 as well as the tugs "Kingfish" and Cyclops" which pushed the tows from Pasadena to the San Jacinto river site. *when?*
- "...[he] personally witnessed the barges being loaded and discharged. These are open type hopper barges. Sludge is pumped in and out." *return*

Ongoing Site Related State Activities:

Available information indicates the Site has been abandoned by its current owner of record.

During the week beginning July 11th TCEQ took soil samples from the site. Cedilote has told Werner that TCEQ expects to receive the results from these soil samples sometime during September of this year. Cedilote also said TCEQ will provide the test results to EPA when they become available.

Additional Unverified Site Related Information Collected for Inclusion in this Preliminary PRP Search Report:

Cedilote provided Werner with the following is unsubstantiated verbal information:

- Virgil C. McGinnis had been the "big wig" of MIMC.
- Virgil C. McGinnis is deceased. *no record in Harris Co probate 1995 per MS Russell.*
- All of the McGinnis clan that had been involved with the MIMC are deceased.
- TCEQ did not have a signed access agreement prior to taking soil samples from the Site earlier this month. Because lab time had been already scheduled for the soil samples, he'd made the decision for TCEQ to go onto the site property with, or without an access agreement to take the needed samples. As of yet TCEQ has not contacted a representative of the Site's owner of record or from MIMC.
- The deed for the Site property identifies it as being 20 acres in size. However, due to ground water withdrawal in the area, land in the area has subsided (sunk) and now approximately 12 or 13 of the 20 acres are under 2 to 6 feet of river water (dependent upon the river's water level).
- The three pits are visible in current aerial photos of the Site. One pit is visible on the river's edge. The two remaining submerged pits are visible only when the river's water level is very low.
- The river lies in an approximate NE - SW line on the Site's eastern side.
- I-10 lies in an approximate NW - SE line on the Site's southern side.
- At some time in the past MIMC sold its Halls Bayou Ranch facility near Hitchcock, TX to Waste Management Inc.
- Cedilote said the last registered agent for MIMC lead him to Waste Management..
- MIMC no longer exists.

- Sometime during 04/1992 MIMC was sold to G.C. Environmental, Inc (GCEI). Cedilote said he didn't know if the Site property was included as part of the MIMC sale to G.C. Environmental, Inc. Cedilote said he thinks it was about the time of this sale when delinquent property taxes started to accumulate against the Site. *did. G.C. inherit the liabilities?*
- Cedilote said he'd sent a letter to GCEI with an access agreement requesting access to the site. GCEI returned the access agreement back unsigned. Nothing was said in GCEI's to indicate it had any ownership interest in the Site. *GCEI + MIMC both Subs of Waste Mgmt. Inc.*
- Property adjacent the west side of the 20 acre site is owned by Captain Jack Roberts. Cpt Roberts is maybe in his mid 60's and is definitely of very sound mind. *1*
- CPT Roberts told Cedilote he is willing to testify that the sludge that McGinnis Industrial Maintenance Corp dumped into the pits came from the Champion Paper Company that had been located in Pasadena, TX.
- Champion Paper Company was later acquired by International Paper.
- A Total Maximum Daily Load (TMDL) study for Dioxin in this area of the river accounts only for 26 % of the loading. Although Dioxin is the driver of this study, TCEQ is also testing for other hazardous wastes metals, pesticides, PCBs, etc.
- Referring to my file (TCEQ Report - 2006 Coordinated Monitoring - Dioxin near US 90 and San Jacinto River.pdf) Cedilote said yes, and Station ID # 11193 is located about 200 yds south of the I-10 bridge.
- Yes, waste leaching from these pits could be the source of the excess Dioxin.

Werner's Current Opinion Concerning the Probability of Identifying Viable PRPs for this Site:

Based upon preliminary information gathered to date, Werner is of the opinion that financially viable PRPs can be found for this Site.

- Information from TCEQ indicates dioxin is the primary hazardous contaminate of concern for this Site.
- The below information, taken from the following web site, shows that waste from paper mills is a possible source of Dioxin: http://www.texas.com/magazine/dioxin_study.htm#_ftnref2
- The term "dioxin" describes a group of highly toxic chemicals which are produced by several industrial processes that use or burn products containing chlorine, including incinerators and "kraft" paper mills
- An EPA document[1] published March 1990 presents results of the study which supplemented the 1986 – 1987 National Biological Accumulation Study of Dioxin in fish tissue. The supplemental study took place in EPA Region 6 and included analysis of fish tissue collected in streams downstream of Paper Mills which use Chlorine bleaching agents in Arkansas, Louisiana, and Texas.

- TETRACHLORODIBENZO-P-DIOXIN AND – DIBENZOFURANS IN EDIBLE FISH TISSUE AT SELECTED SITES IN ARKANSAS, LOUISIANA AND TEXAS, MARCH 1990, Environmental Analysis Section – EPA Region 6
- There is a qualified witness (CPT Roberts) that is willing to testify he's witnessed waste sludge from the Champion Paper Company facility in Pasadena, TX being loaded into barges that were subsequently moved to the Site where the same sludge was unloaded into one or more of the three sludge pits at the Site.

Various Preliminary Matters Needing Clarification (numerous additional questions remain unanswered as of 07/25/05):

- MIMC has identified itself using the following different corporate names (differences are highlighted in red). Is there a successor(s) to one or more of these name identities?
 - McGinnes Industrial Maintenance Corp
 - Mc Ginnes Industrial Maintenance Corporation
 - McGinnis Industrial Maintenance, Corp
- What is the correct name of the Site's Current owner of record:
 - Virgil C. McGinnes
 - Virgil C. McGinnis
- Did GCEI acquire ownership of the Site when/if it purchased MIMC?
- In his letter to TCEQ, CPT Roberts states that Waste Management now owns the Site. Is this true? /
- What is the correct name of the company in Pasadena, TX from which CPT Roberts witnessed waste sludge being taken to the Site.
- In his letter to TCEQ, CPT Roberts states that waste sludge at the Site came from Champion Paper Co., in Pasadena, TX. Need to verify the correct name of the entity in Pasadena, TX? Is Champion International Corporation the current successor to the entity in Pasadena, TX?
- As of the date of this Preliminary PRP Search Report, Virgil C. McGinnes remains as the Site's only known owner of record. Is this person alive or deceased?

*research
successorship
waste management
Inc.*

note